2012 Level I
On-Line Review Exam

1. A property's tax bill is $15,000 and the property's market value is $3,000,000. What is the effective tax rate?

   A) 60%   C) 1%
   B) .50%   D) 10%

2. Business lot has a NOI monthly income of $1,000. The rate of return is 10%. What is the value of the property?

   A) $10,000   C) $130,000
   B) $12,000   **D) $120,000**

3. NE 1/4, SE 1/4, NE 1/4 of section 5 has how many square feet?

   A) 217,800   C) 4,356,000
   B) 435,600   D) 43,560

For question # 4 the following data is available, to develop an adjustment for time in the sales comparison approach.

   Sale #1 sold 1 yr. ago for $50,000 and 8 months ago for $53,600
   Sale #2 sold 1 yr. ago for $48,000 and 5 months ago for $54,048
   Sale #3 sold 1 yr. ago for $52,000 and 9 months ago for $54,808

	1st Sale	2nd Sale	Difference	Divide by 1st Sale	% Change	# months	% per Month
Sale # 1	$50,000	$53,600	$3,600	$3,600/$50,000	7.20%	4	1.80%
Sale # 2	$48,000	$54,048	$6,048	$6,048/$48,000	12.60%	7	1.80%
Sale # 3	$52,000	$54,808	$2,808	$2,808/$52,000	5.40%	3	1.80%
						Answer	1.80%

4. What is the time adjustment per month?

   A) .9%   **C) 1.8%**
   B) 18%   D) .5%

5. Basement recreation room has 1,800 sq. ft. It has floor, ceiling, and wall finish. What is the cost to add for this room?

   A) $4,700   C) $7,700
   B) $10,900   D) $10,400

Questions 6, 7, and 8 are based on the following information:

A building has 40,000 sq. ft of gross building, of which only 39,000 sq. ft. is the net leasable area. Mkt. rent is $20 per sq. ft. for net leasable area. Vacancy and collection loss is 4% of the PGI. Miscellaneous income is $4,000.00. Operating expenses are 35% of the EGI. Debt service is projected to be 75% of the NOI.

6. What is the Potential Gross Income of this property?

      A) $800,000   C) $680,000
      B) $780,000   D) $750,000

7. What is the Effective Gross Income of this property?

      A) $768,000   C) $802,000
      B) $752,800   D) $643,000

8. What is the Net Operating Income of this property?

      A) $767,999   C) $643,000
      B) $489,320   D) $780,000

9. A property contains 15,000 sq. ft. Market rent is $16.00 per sq. ft. The vacancy rate for this type business is 5%, and the collection loss rate is 1%. The property has miscellaneous income of $500.00 per month. Net leasable area is 14,000 sq. ft. What is the EGI for this property?

      A) $224,000   C) $222,550
      B) $216,560   D) None of the above

10. A residential parcel has 10 acres. There is a dwelling on the property. 7 acres are being farmed. The farm land base rate is $1,630 and the productivity factor is 1.10. Excess residential acreage is valued at $1,200.00 per acre. Homesites are valued at $6,000.00. What is the estimated value of this parcel rounded to the nearest $100.00?

      A) $21,000   C) $2,400
      B) $9,600   D) $6,000

11. A two story frame house has 1,500 sq. ft. on each floor. The first floor has 2 increments of brick. The second floor has 1 increment of brick. What value would you have for the second floor?

      A) $77,400   C) $54,900
      B) $47,900   D) None of the above

12. The house in question 11 has a finished basement of 1,000 sq. ft. What value would you put down for the basement?

        A) $37,100   C) $49,200

        B) $25,800   D) $54,300

13. The house in question 11 has an open framed porch of 550 sq. ft. What value would you put down for the porch?

        A) $10,900   C) $11,800

        B) $10,100   D) $14,700

14. Apartment houses in the area have a GIM of 7.0. The EGI of the subject house is $70,000 and the NOI is $48,000. What is the estimated value of the subject property?

        A) $490,000   C) $336,000

        B) $390,000   D) $200,100

15. A house has an attic of 1,400 sq. ft. Of which 900 is finished. What value would you put on the property record card for the attic ?

        A) $15,600   C) $8,400

        B) $17,000   D) $7,400

Use the following information and the table on the next page to determine a value for a subject property.

Subject: Frame Construction, 4 rooms on 1st floor, hot water hear, 4 rooms on the 2nd floor, 2 bathrooms on the 2nd floor, a 2 car garage, and not located on the water.

Sale # 1: Brick construction 4 rooms on the 1st floor, 4 rooms on the 2nd floor, hot water heat, 1 second floor bathroom, 3 car garage, and located on the water. Sold for #150,000 3 days ago.

Sale # 2: Frame Construction, 4 rooms on 1st floor, hot water heat, 4 rooms on the 2nd floor, 2 car garage, 2 bathrooms on the 2nd floor, and not located on the water. Sold for $130,000 1 year ago

Sale # 3: Brick Construction, 4 rooms on the 1st floor, forced heat and air, 3 rooms on the 2nd foor, 1 second floor bathroom, 2 car garage, and not located on the water. Sold for $100,000 2 years ago.

Properties have increased in value 6% per year.
Brick is worth $15,000 more than frame.
First floor rooms are worth $10,000
Hot water heat is worth $2000 more than forced air.
Second floor rooms are worth $8,000
Bathrooms have a value of $5,000
Garage bays are worth $4,000
Waterfront is worth $10,000 more than non waterfront.

	Sale 1	Sale 2	Sale 3	Subject
Sale Price	$150,000	$130,000	$100,000	$150,000
Date of Sale	Current	1 year ago	2 years ago	Current
Time Adjustment	0	6% or $7,800	12% or $12,000	0
Time Adjusted Sale Price	$150,000	$137,800	$112,000	$150,000
Amenities				
Construction	Brick ($15,000)	Frame	Brick ($15,000)	Frame
1st Floor rooms	4	4	4	4
Heat	Hot water	Hot water	Forced air +$2,000	Hot water
2nd Floor rooms	4	4	3 +$8,000	4
2nd Floor bathrooms	1 +$5,000	2	1 +$5,000	2
Garage	3 car ($4,000)	2 car	2 car	2 car
Location	Waterfront ($10,000)	Not waterfront	Not waterfront	Not waterfront
Net Adjustment	($24,000)	0	0	
Adjusted sale price	$126,000	$137,800	$112,000	$137,800

16. What is the value determined for the subject property?

A) $137,800   C) 126,000
B) 112,000   D) 125,266

17, 18, 19, and 20. Find the Median, Mode, COD, and PRD of the following.

You are provided with the following information:

Develop the Median, Mode, Mean, Weighted Mean, COD, and PRD

Sale	Sale Price	Assessed Value	Sales Ratio	Median	ABS DEV
#1	$49,800	$45,800	0.920	0.974	0.054
#2	$52,400	$48,200	0.920	0.974	0.054
#3	$40,000	$42,200	1.055	0.974	0.081
#4	$55,000	$50,800	0.924	0.974	0.050
#5	$51,450	$55,300	1.075	0.974	0.101
#6	$110,100	$107,200	0.974	0.974	0.000
#7	$90,700	$87,500	0.965	0.974	0.009
#8	$86,100	$86,000	0.999	0.974	0.025
#9	$96,700	$96,700	1.000	0.974	0.026
TOTAL	$632,250	$619,700			0.045

17. Median

A) .920   C) 1.001
B) .974   D) .981

18. Mode

A) .920   C) 1.001
B) .974   D) .981

19. COD

A) 9.81   C) 1.001
B) .974   D) 4.574

20. PRD

A) .920   C) 1.001
B) .974   D) .981

21. In the sales comparison approach, attribute adjustments such as building size, # of bathrooms, year built are examples of _____ ?

        A) qualitative adjustments   C) quantitative adjustments

        B) paired sales   D) a buyers market

22. A corner doughnut shop has monthly income earned of $1,250. The owner's required rate of return for this type of property is 11% per year. What is the value of this property ?

        A) $138,181   C) $1,650

        B) $11,364   D) $136,364

23. If an 18-unit apartment building has 4 vacant units, what is the occupancy rate?

        A) 78%   C) 19%

        B) 22%   D)   25%

24. The sale price of a property divided by the annual effective gross income it generates is the _____.

        A) gross income multiplier   C) gross rent multiplier

        B) neighborhood factor   D) indicated value

25. The _____ rate reflects the return on the investment.

        A) recapture   C) effective tax

        B) capitalization   D) discount

26. A house has an attic of 2,500 square feet. Of this, 1,280 square feet are finished. What value would you show on the property record card for the attic ?

        A) $9,200   C) $9,400

        B) $21,300   d) $25,600

27. As taught in this Level I tutorial, the first adjustment in the Sales Comparison Approach is for _____.

        A) bedrooms   C) garages

        B) sale prices   D) time

28. I am pricing a two-story dwelling that has air conditioning throughout. The dwelling has 1,900 square feet on the first floor and 1,300 square feet on the second floor. What is the air conditioning adjustment amount ?

        A) $5,400   C) $4,100

        B) $4,200   D) $2,900

29. If my subject property has 5 bedrooms and my comparable has 4 bedrooms, when making the adjustment to the comparable, this adjustment would be made _____.

        A) downward   C) no adjustment required

        B) upward   D) as a paired sales adjustment